

Equity Investments Questionnaire

General Questionnaire		Yes	No			Yes	No
1. Does the thrift's asset review and classification program cover equity investments?				11. Does the institution reconcile ledgers for the individual REI properties to the general ledger at least monthly?			
				Frequency?			
2. If state chartered, is the thrift complying with statutory and regulatory investment limits under state law if more restrictive than federal limits?				12. Does the thrift maintain insurance coverage on REI including liability coverage where advisable?			
3. Does the thrift's internal audit program adequately cover equity investments?				13. Does the thrift maintain adequate control over REI rental income?			
4. Does the thrift adequately monitor compliance with its equity investment policies and procedures?				14. Are agents who collect REI rents and/or manage properties bonded?			
5. Does the thrift have definitive written investment plans for each equity investment?				15. Does the thrift properly control REI security deposits?			
6. Is the thrift complying with its investment plans?				16. Does the thrift maintain adequate control over all REI disbursements?			
7. Is the association in compliance with the statutory investment limits prescribed by the HOLA and FDIA?				17. Does the thrift physically inspect all REIs at least quarterly?			
8. Does the thrift apply the consolidation method to applicable EIs of operating subsidiaries for the purpose of determining its aggregate level of investments?				18. Has the thrift imposed limitations on the securities investment authority of officers? .			
9. Are equity investment management reports and information systems adequately providing management and directors with decision-making information and the ability to monitor compliance with established guidelines?				19. Does the thrift require dual authorization of investment security transactions?			
10. Does the institution maintain records for each equity interest in a real estate investment (REI) parcel (e.g., showing capital items, expenses, rentals)? Are such files complete?				20. Do procedures preclude the custodian of the thrift's securities from:			
				• having sole physical access to security documents?			
				• preparing release documents without the approval of authorized persons?			
				• preparing release documents not subsequently examined or tested by a second custodian?			
				• performing more than one of the following transactions:			
				— execution of trades?			

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	Yes	No		Yes	No
— receipt or delivery of securities?			25. Does someone independent of both the trading and recordkeeping functions receive the periodic statements?		
— receipt and disbursement of proceeds?			26. Does the thrift reconcile the periodic statements to all of the thrift's accounting records?		
21. Does the thrift physically safeguard securities to prevent loss or unauthorized removal or use?			27. Do persons who do not have direct, physical, or accounting control of accounts balance EI subledgers at least annually to the appropriate general ledger accounts? ..		
22. Are registered securities held only in the name (or street name) of the thrift or subordinate organization?			28. Do persons who do not have direct, physical, or accounting control of the assets prepare and post EI subledgers?		
23. Do thrift and subordinate organization records of investment securities show all pertinent data describing the security, its location, pledged or unpledged status, premium amortization, discount accretion, and dividends declared or interest earned, accrued, and collected?			If not, do persons who do not have direct, physical, or accounting control of the assets test the preparation and postings?		
24. Do periodic statements the thrift receives from securities brokers reflect:			29. Does the thrift maintain supporting documents for all entries to EI accounts? ...		
• trading activity for the period?			30. Does management report acquisitions and dispositions of EIs to the board of directors?		
• open positions at the end of the period?.			31. Does the board of directors review EI policies at least annually to determine if they are compatible with changing regulatory restrictions and market conditions?		
• market value of open positions?					
• unrealized gains and losses?					
• cash balances in accounts?					

Comments

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